GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2638
ANSWERED ON:19.12.2003
AMENDMENT IN POST OFFICE SAVING RULES
SUSHILA SAROJ

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rebate is available under section 80DD of the Income Tax Act for the Dependant Family member of the Government Servant;

(b) if so, whether the Government propose to amend the Post Office (Savings) Rules so as to include the provisions to enable parents/ guardian to open PPF accounts in the names of their mentally retarded dependant so as to avail the rebate;

(c) if so the details thereof; and

(d) if not, the reasons for the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD Y. NAIK)

(a): Yes Sir. The Income-tax Act provides for a deduction of Rs.50,000 for any expenditure incurred by an individual or Hindu Undivided Family, for the medical treatment (including nursing), training and rehabilitation of a dependant being a person with disability or for any amount paid or deposited under an approved insurance scheme for the benefit of such dependant. In case of a person with severe disability, a deduction of Rs.75,000 has been allowed.

(b), (c) & (d): The Public Provident Fund (PPF) scheme provides that any individual may, on his own behalf or on behalf of a minor of whom he is the guardian, subscribe to the Public Provident Fund (PPF).The provisions do not debar subscription on behalf of a mentally retarded minor. There is no proposal to change the eligibility to subscribe to the scheme.